GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:3491
ANSWERED ON:15.12.2005
LOAN FOR DEDICATED FREIGHT CORRIDOR PROJECT
Rao Shri Sambasiva Rayapati

Will the Minister of RAILWAYS be pleased to state:

(a): whether Japan has offered loan to Railways for the dedicated freight corridor project;

(b): if so, the details thereof; and

(c): the reaction of the Railways thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (c): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) T O (c) OF UNSTARRED QUESTION NO.3491 BY SHRI RAYAPATI SAMBASIVA RAO TO BE ANSWERED IN LOK SABHA ON 15.12.2005 REGARDING LOAN FOR DEDICATED FREIGHT CORRIDOR PROJECT

(a): No, sir. It has been agreed between the Govt. of India and Japan in the Joint Statement of the two Prime Ministers signed on 29.04.2005 that the feasibility of a dedicated high axle load freight corridor project for Delhi-Mumbai and Delhi-Howrah sectors of Indian Railways utilizing the Japanese STEP (Special Terms of Economic Partnership) YEN loan shall be examined. A proposal for carrying out a development study for the dedicated freight corridor project has since been posed to Japan International Cooperation Agency (JICA) on 07.07.2005.

(b): There i s no offer of Loan so far. However, normally under the STEP Yen loan scheme, 30% of the loan would be tied to procurement from Japan. The loan covers up to 85% of the total project cost with an interest rate of 0.4% and repayment period of 40 years including 10 years grace period.

(c): Does not arise.